



Terry Tamminen  
Secretary for  
Environmental  
Protection

## State Water Resources Control Board

### Division of Financial Assistance

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Arnold Schwarzenegger  
Governor

MAR 17 2004

CERTIFIED MAIL NO. 7001 0320 0000 9689 2038  
Return Receipt Requested

Mr. Michael T. Uberuaga  
City Manager  
City of San Diego  
202 C Street, MS 9A  
San Diego, CA 92101-4806

RECEIVED  
MAR 22 2004  
City Manager

Dear Mr. Uberuaga:


FINAL REVENUE PROGRAM REQUIREMENT - CITY OF SAN DIEGO (CITY), CLEAN WATER GRANT PROJECTS NOS. C-06-1092-210, -510, -520, -530 AND -540; STATE REVOLVING FUND (SRF) LOAN PROJECTS NOS. C-06-4119-410, -510, C-06-4383-110, C-06-4542-110, C-06-4650-110, -210, C-06-4690-110, C-06-4703-110, C-06-4718-110, C-06-4721-110

I have completed my review of Senior Deputy City Manager George I. Loveland's letter dated January 8, 2004. Mr. Loveland's letter outlined progress made by the City to meet the requirements of the federal Clean Water Act and the State Revolving Fund Loan Program requirements. A *Wastewater Cost of Service Study*, prepared for the City by Black & Veatch, dated October 2003, was included as one of the attachments to Mr. Loveland's letter.

I have reviewed the *Wastewater Cost of Service Study*. In general, I concur with the methodology used in the *Wastewater Cost of Service Study* as well as the conclusions and recommendations made by Black & Veatch. The 2 specific items in the Study I do not agree with are as follow:

1. In previous correspondence with the City, dated March 20, 1992, the State Water Resources Control Board stated that a cap on residential water use for purposes of calculating maximum single family wastewater rates would be approved with the condition that the cap captured the 95th percentile of the single family group or if the cap was set at a lower percentile the City would conduct a field survey of all users effected by the cap (water use above the cap) to insure that all capped accounts were single family homes. Information included in the *Final Report of the Sewer Cost of Service Stakeholders' Group* dated September 14, 2000 (Attachment 9 to Mr. Loveland's letter) states that 16 hundred cubic feet (HCF) is the 90 percentile amount. Black & Veatch recommend using 14 HCF of metered water use as the cap for computing the monthly residential wastewater rate but a field survey of all single-family homes is not mentioned.

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2. The study concludes (Page 4-5) that the calculated annual loading of chemical oxygen demand (COD) and total dissolved solids (TSS) from all users is below measured loadings of COD and TSS by 4.7 percent and 5.3 percent, respectively. Black & Veatch 'fixes' this problem by increasing the assumed concentration values for the single-family residential group by approximately 16 percent. I do not agree with the assumption that any unaccounted COD and TSS should be assigned to the single-family group only. Unaccounted COD and TSS should be applied to all users, residential, commercial and industrial, that do not have a monitored discharge. Any discharge that is monitored (i.e. sampled and analyzed) cannot be adjusted from the values established by laboratory analysis. Black and Veatch should be requested to amend their study by computing and applying a correction for all unmonitored user groups.

The City must adopt revised wastewater rates that comply with the Wastewater Revenue Program Guidelines of the SRF Loan Program for all wastewater users within the City. The revised rates must be implemented for the 2004-2005 fiscal year. Please submit the adopted City Council ordinance (or resolution) to this office within 90 days of receipt of this letter. If the City is unable to comply with this time schedule please contact me, in writing, with the reason(s) the City is unable to comply and a suggested time schedule for compliance.

Implementation and maintenance of the wastewater user charge system is a condition of both federal Clean Water Grants and state SRF loans. The wastewater user charge system must conform to the requirements of Clean Water Grant regulations for the useful life of the grant funded facilities. The user charge system must also conform to the requirements contained in SRF loan contracts until the loans are discharged. [Note: the grant requirements and loan requirements are the same except for termination date.] In addition, your agency must maintain records necessary to document compliance with these requirements.


If you have any questions about this letter, please contact me at (916) 341-5642 or [blairr@swrcb.ca.gov](mailto:blairr@swrcb.ca.gov).

Sincerely,



Ronald R. Blair  
Sanitary Engineering Associate

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